

REMARKS

The Office Action dated December 23, 2009, (“Office Action”) and cited references have been considered. Claims 1, 5-10, 12, 14, 15, 19-24, 26, 28, 31-33, 35, and 36 are currently pending in this application. In this paper, claims 1, 8, 9, 15, 22, 23, 31, 35, and 36 have been amended. Reconsideration and allowance are respectfully requested.

1. Rejections Under 35 U.S.C. § 112, ¶ 2

On page 4 of the Office Action, claims 32 and 33 were rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the invention. This rejection is respectfully traversed.

Regarding claims 32 and 33, with respect to the term “proximate to the local post office,” Applicant respectfully submits that the meaning of this term would be understood by one skilled in the art in view of the specification. For example, the specification describes the payment processing system located at a proximal location (e.g., next building, different floor, etc). *See* specification at page 13, lines 1-2; page 10, lines 4-10. Applicant respectfully submits that one skilled in the art would understand the meaning of the term “proximate to the local post office” when read in view of the specification.

In view of the above remarks, Applicant respectfully submits that the claims satisfy 35 U.S.C. § 112, second paragraph. Accordingly, reconsideration and withdrawal of this rejection is respectfully requested.

2. Rejection Under 35 U.S.C. § 103

On page 4 the Office Action, claims 1, 5-8, 10, 12, 15, 19-22, 24, 26, 31-33, 35, and 36 were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent Application Publication No. 2003/0200107 to Allen et al. (hereinafter “Allen”) in view of U.S. Patent No. 6,285,777 to Kanevsky et al. (hereinafter “Kanevsky”). This rejection is respectfully traversed. Prior to discussing the rejection, however, a brief summary of an embodiment of Applicant’s invention is provided in order to highlight some of its advantageous characteristics.

Figure 3 of Applicant’s specification, reproduced below, shows an exemplary system for check processing at a distributed postal site.

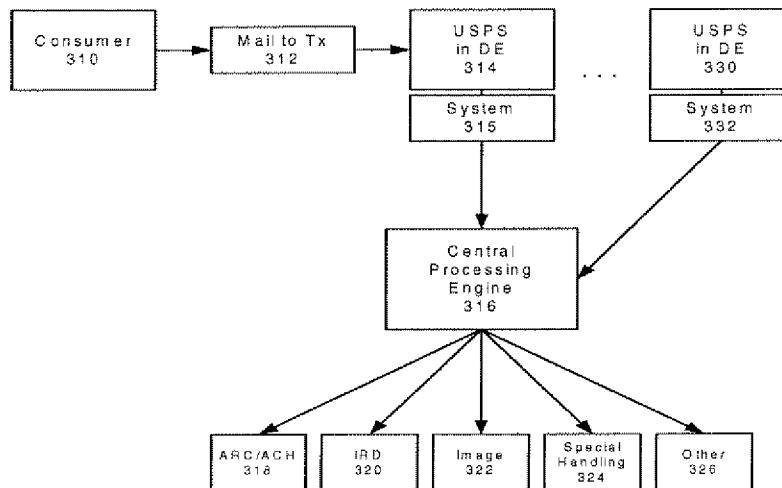


Figure 3

According to this embodiment, a consumer 310 may be located at a specific state, such as Delaware. The consumer 310 may have a mail item 312 (*e.g.*, an envelope) that is addressed to a Texas address having an appropriate code or identifier (*e.g.*, a zip code). As far as the consumer 310 is concerned, the mail item 312 is addressed to Texas and will be routed through the appropriate conventional mail channels, *i.e.*, physically transported to the addressee in Texas.

The mail item 312 may be sent to a mail facility located in Delaware. For example, if the mail item 312 is sent from the consumer's home in Delaware, the mail item 312 will be received at a local post office in Delaware, as shown by 314. At the local post office in Delaware 314, the mail item 312 addressed to Texas will be routed to a local processing system 315 in Delaware. The system 315 may be integrated with a post office and may be located at the post office or at a proximal location (*e.g.*, next building, different floor, etc.).

The system 315 may then electronically transmit scanned payment data to a central processing engine 316. The actual payment product (*e.g.*, the paper check) may then be destroyed at the system 315. The scanned payment data may include a scanned image of the payment product including any associated items. The payment data transmitted by the system 315 to the central processing engine 316 may also include an identifier and/or other data such as a MICR line, payment amount, routing number, transit number, payee information, and/or payor information. The central processing engine 316 may receive scanned payment data from a plurality of systems, as shown by system 332 associated with a post office 330. The central processing engine 316 may then determine a payment type (*e.g.*, personal check, corporate check, cashier's check, money order, etc.) and determine an optimal clearing path (*e.g.*, accounts receivable conversion (ARC)/automated clearing house (ACH) payment, image replacement document (IRD), image exchange, special handling, etc.) for the payment product. The payment product may then be cleared through the appropriate channel, such as ARC/ACH 318, IRD 320, image exchange 322, special handling 324, or other channel 326.

This embodiment of the invention can be transparent to the consumer. Specifically, the consumer 310 making the payment will likely have no idea that a change has occurred in how

their payments are processed, *i.e.*, that the paper check is destroyed at the system 315 in Delaware and the transaction is thereafter processed electronically.

Some of the advantages to the mail facility may include reduced mail volume, increased profit margins from postage paid by the consumer even though the mail does not move past the original city, a new revenue stream, co-location revenue, and new use of facilities to decrease downsizing, for example. Some of the advantages to a financial institution may include reduction of facilities, less need for regional facilities, and decreased incoming volume to the remaining facilities, for example. The invention may also provide the advantage of an additional 1-2 days of float on payments. These and other advantages are described in Applicant's specification on pages 13-14.

The Allen application, by contrast, describes a rent collection system and process for use by property owners and managers. *See* Allen ¶ 2. The Allen system includes a collection processor 10, a payment service center 60, and a property management system 70, among other things. *See* Allen Figure 1. The collection processor 10 is employed to control the process of payment collection. Allen ¶ 30. The payment service center 60 is employed to receive payments in the form of papers, such as checks and money orders, from various accounts or customers or tenants. Allen ¶ 32. The payment service center 60 is a physical location where all paper payments handled by collection processor 10 are handled. Allen ¶ 80. The property management system 70 is a personal computer that includes an accounting software system, which is typically a software system for property management. Allen ¶ 36.

Allen does not disclose or suggest the invention recited in Applicant's claim 1:

1. A method for processing payment products using a computer implemented payment processing system, the method comprising the steps of:

receiving a tangible mail item comprising a payment product and one or more items associated with the payment product, wherein the tangible mail item is addressed to a postal addressed destination in a mail channel;

extracting the payment product from the tangible mail item and the one or more items associated with the payment product;

electronically transmitting, using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing, wherein processing by the recipient comprises determining, with a computer implemented optimal path module, an optimal clearing path based at least in part on a type of the payment product; and

destroying the payment product at the payment processing system, wherein the tangible mail item is not sent into the mail channel to the postal addressed destination.

Allen does not disclose or suggest the combination of *receiving a tangible mail item comprising a payment product and one or more items associated with the payment product, wherein the mail item is addressed to a postal addressed destination in a mail channel; electronically transmitting, using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing, wherein processing by the recipient comprises determining, with a computer implemented optimal path module, an optimal clearing path based at least in part on a type of payment product; and destroying the payment product at the payment processing system, wherein the tangible mail item is not sent into the mail channel to the postal addressed destination*, as recited in

Applicant's claim 1. Allen also does not recognize or suggest the advantages provided by exemplary embodiments of Applicant's invention, such as reduced mail volume, increased profit margin from postage paid by the consumer even though the mail does not move past the original city, and a reduction of the mail facilities needed by a financial institution receiving payments, among others.

The Office Action cites an isolated passage in Allen as allegedly teaching the deficiencies noted above. In particular, the Office Action states on page 5 that:

Allen teaches in paragraph 15 page 2 electronically transmitting using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing (the check is read by the check reader and transmitted to the collection processor).

Applicant respectfully disagrees. Not only does Allen fail to disclose all of the features recited in Applicant's claims, but in fact Allen teaches away from Applicant's claim 1 combination. In particular, Allen teaches that in the normal course, all the paper checks are physically transported to the bank for deposit. *See* Allen ¶ 92 and Figure 3. Allen teaches that a check transport system 208 is used to receive the extracted and batched mail (¶ 84), and a deposit preparation stage 214 is provided and configured to prepare deposit slips (¶ 88). The paragraph 95 cited in the Office Action describes a *mistake* by the tenant in which the tenant "sends a check to the property management company *instead of the designated P.O. Box number.*" Only in that case of tenant error does the check get destroyed. Moreover, in that case, the property management company is not in a mail channel, so that even this alternative process in Allen does not disclose the subject matter of Applicant's claim 1.

In addition, Applicant respectfully submits that Allen teaches away from "electronically transmitting, using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing," as claimed. As discussed above, Allen teaches that the paper checks are *physically deposited at the bank*. *See, e.g.,* Allen at Figure 3 (showing a person physically carrying checks to the bank 92); Allen ¶ 84 ("A check transport system 208 is configured to receive the extracted and batched mail Typically, the check transport system 208 includes a plurality of sorting pockets."); Allen ¶ 88 ("A deposit preparation stage 214 is provided and configured to prepare deposit slips.") Allen ¶ 92

(“Payment service center 60 provides the payments to a banking institution such as at 92 for each corresponding batch of payments that have been accepted for payment.”).

Additionally, Applicant respectfully submits that Allen teaches away from the recitation that “processing by the recipient comprises determining, with a computer implemented optimal path module, an optimal clearing path based at least in part on a type of payment product; and destroying the payment product at the payment processing system.” Allen discloses that packet table process 26, based on the analysis performed by middle pass processor 12, provides instructions as to how to handle each payment in payment service center 60. Some of the exemplary bins to which the payment may be forwarded are category 388 for unidentified tenants, 390 for stops, 392 for truncation, 396 for checks to be deposited, 398 for checks accompanied with coupons for deposit, 402 for payments that need to be provided for on-line review, 404 for payments that need to be returned to sender, and 406 for other categories. Allen ¶ 110. Thus, Applicant respectfully submits that Allen, at most, discloses a single type of payment product (e.g., check) and teaches away from the recitation that “processing by the recipient comprises determining, with a computer implemented optimal path module, an optimal clearing path based at least in part on a type of payment product; and destroying the payment product at the payment processing system,” as claimed. Applicant also respectfully reminds the Examiner that in the previous office action dated April 1, 2009, the Examiner acknowledged on page 5 that Allen does not disclose or suggest that determining “an optimal clearing path based at least in part on a type of the payment product,” as recited in claim 1.

Moreover, Applicant respectfully submits that Allen teaches away from “destroying the payment product at the payment processing system, wherein the tangible mail item is not sent into the mail channel to the postal addressed destination,” as claimed. In particular, Allen

teaches that payment service center 60 provides the payments to a banking institution such as at 92 for each corresponding batch of payments that have been accepted for payment. *See*, Allen ¶ 92. Also, Allen teaches that the banking institutions are configured to receive paper checks for deposit directly from payment service center 60. *See*, Allen ¶ 43. Applicant respectfully submits that if the payment product is destroyed at the payment processing system, as alleged by the Office Action, there would not be anything to deposit at the banking institution.

For at least these reasons, Applicant respectfully submits that it would not have been obvious to make the modifications to the Allen system suggested in the Office Action. Rather, it is apparent from reviewing the Office Action that the rejection is based on hindsight using Applicant's disclosure as a template, which is improper. For the foregoing reasons, Applicant respectfully submits that the rejection under § 103 is improper and requests reconsideration and withdrawal of the rejection.

The Office Action on page 5 acknowledges that "Allen does not teach wherein the tangible mail item is addressed to an addressed destination in a mail channel, but not sent into the mail channel to the addressed destination." The Office Action cites Kanevsky to remedy this deficiency. Applicant respectfully disagrees. First, Applicant respectfully submits that Kanevsky fails to disclose, or even suggest, a "tangible mail item is addressed to a postal addressed destination in a mail channel," and "not sent into the mail channel to the postal addressed destination," as currently recited in claim 1. In particular, Kanevsky discloses that if the sender's destination address is a post office address, the email note from scanning and storing means 48 is routed through to reproduction facilities 56 that are local to the recipient. At the reproduction facilities 56 the e-mail content is reproduced as mail using user characteristics that were recorded in scanning and storing means 48. *See*, Kanevsky, column 4, lines 56-62.

Subsequently, the reproduced letter can be transported to a recipient 54 via local means. Thus, Applicant respectfully submits that Kanevsky discloses delivering the letter to a recipient via a mail channel and fails to disclose, or even suggest, that “the tangible mail item is not sent into the mail channel to the postal addressed destination,” as currently recited in claim 1.

Second, the Office Action merely asserts that Kanevsky teaches the deficiencies of Allen; however it fails to identify a proper reason for combining the teaching of Kanevsky with the teaching of Allen. Therefore, Applicant respectfully submits that the Office Action fails to establish prima facie case of obviousness for combining Kanevsky with Allen. Also, Applicant respectfully submits that Allen teaches away from Kanevsky. In particular, Allen discloses a collection processing system at the destination address configured to receive payments on behalf of a plurality of third parties, such as property managers. The payment service center at the destination address processes the payments, which are typically in the form of checks or money orders, or other payment instruments. *See, e.g.*, Allen Abstract. In contrast, Kanevsky discloses that at the post office, an automatic process means 42 identifies whether the paper mail should be sent via surface mail routine or an e-mail via routine. *See, e.g.*, Kanevsky, column 4, lines 32-34. Therefore, Applicant respectfully submits that it would not have been obvious to one having ordinary skill in the art at the time the invention was made to combine the mail identifying process at the post office of Kanevsky with the collection processing system at the destination address of Allen.

Regarding dependent claims 5-8, 10, 12, 14, and 32 these claims are dependent upon independent claim 1. Thus, since independent claim 1 is allowable as discussed above, claims 5-8, 10, 12, 14, and 32 are also allowable at least by virtue of their dependency on independent claim 1. Moreover, these claims recite additional features which are not disclosed, or even

suggested, by the cited references taken either alone or in combination. For example, claim 12 recites “the optimal clearing path comprises one or more of automated clearing house, image replacement document and image exchange channels.”

Independent claims 15 and 31, recite features similar to independent claim 1 and are believed to be allowable for essentially the same reasons that of independent claim 1 is allowable. Thus, the arguments set forth above with respect to independent claim 1 are equally applicable to independent claims 15 and 31. Accordingly, Applicant respectfully submits that independent claims 15 and 31 are allowable over Allen and Kanevsky.

Regarding dependent claims 19-22, 26, 33, and 34, these claims are dependent upon independent claim 15 or 31. Thus, since independent claim 15 or 31 is allowable as discussed above, claims 19-22, 26, 33, and 34 are also allowable at least by virtue of their dependency on independent claim 15 or 31. Moreover, these claims recite additional features which are not disclosed or suggested by the cited references taken either alone or in combination. For example, claim 26 recites “the optimal clearing path comprises one or more of automated clearing house, image replacement document and image exchange channels.”

In view of the foregoing remarks, Applicant respectfully submits that claims 1, 5-8, 10, 12, 15, 19-22, 24, 26, 31-33, 35, and 36 are patentable over Allen and Kanevsky and requests withdrawal of the rejection under 35 U.S.C. § 103 in view of Allen and Kanevsky.

On page 9 of the Office Action, claims 9, 14, 23, and 28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Allen in view of Kanevsky and further in view of Official Notice. Applicant respectfully traverses the Examiner’s assertion that the Official Notice statements are taken to be admitted prior art because the Applicant’s traversal is inadequate.

Specifically, the Examiner takes Official Notice that a cashier's check, remittance advice, a statement, or an account receivable data are old and well-known and therefore concludes that it would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen. Applicant traverses this rejection because there is no support in the record for the conclusion that the identified features are "old and well known." In accordance with MPEP § 2144.03, the Examiner must cite a reference in support of his position and Official Notice unsupported by documentary evidence should only be taken by the Examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known (emphasis added). Thus, Applicant respectfully submits that it would not have been obvious to one having ordinary skill in the art to modify the payment methods of Allen, as alleged by the Office Action. Therefore, claims 9, 14, 23, and 28 are believed to be allowable.

3. Conclusion

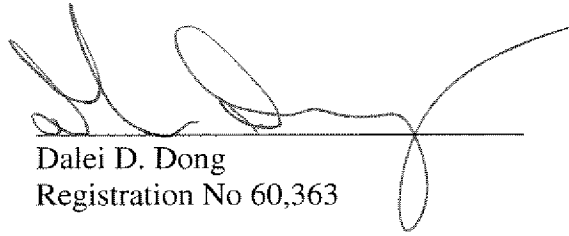
Having addressed all of the outstanding rejections of record, Applicant respectfully submits that the application is in condition for allowance and notice to that effect is earnestly solicited. If there are any questions regarding this Amendment or the application in general, the Examiner is encouraged to contact the undersigned at the phone number listed below to expedite prosecution.

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 50-0206, and please credit any excess fees to the same deposit account.

Respectfully submitted,

HUNTON & WILLIAMS LLP

By:



Dalei D. Dong
Registration No 60,363

Hunton & Williams LLP
1900 K Street, N.W.
Washington, DC 20006-1109
Phone: (202) 955-1964
Fax: (202) 778-2201

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